

Message Text

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ACTION EA-14

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E.O. 11652: NA

TAGS: ETRD JA TH

SUBJ: JAPAN THAILAND TRADE COOPERATION COMMITTEE MEETING

SUMMARY: FIFTH MEETING OF JAPAN/THAILAND TRADE COOPERATION COMMITTEE WAS HELD IN TOKYO JUNE 3-6, 1974. MAJOR RESULT WAS AGREEMENT ON LIST OF EXPORT TARGETS FOR 94 THAI PRODUCTS DURING 1974 WITH TOTAL VALUE OF 530 MILLION DOLLARS. END SUMMARY.

1. FIFTH MEETING OF JAPAN/THAILAND TRADE COOPERATION COMMITTEE TOOK PLACE IN TOKYO JUNE 3-6 1974. COMMITTEE CONSISTS OF BUSINESS LEADERS FROM BOTH COUNTRIES; ON THIS OCCASION JAPANESE SIDE WAS LED BY RENZO TAGUCHI, PRESIDENT, ISHIKAWAJIMA HARIMA HEAVY INDUSTRIES, AND THAI SIDE BY OB VASURATNA, PRESIDENT, BOARD OF TRADE OF THAILAND.

2. IN KEYNOTE SPEECH, TAGUCHI NOTED CHANGING ATTITUDES OF JAPANESE PEOPLE RESULTING FROM ENERGY SHORTAGE AND CRITICISMS OF JAPAN IN SOUTHEAST ASIA. ON QUESTION OF JAPAN-THAI TRADE, HE NOTED THAT JAPAN'S IMPORTS FROM
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THAILAND ROSE STEEPLY DURING 1973 BUT ACKNOWLEDGED THAT

TRADE IMBALANCE NARROWED ONLY SLIGHTLY. HE REGRETTED THAT THAI LAWS RE FOREIGN ENTERPRISES AND FOREIGNERS' OCCUPATIONS HAVE SUBJECTED JAPANESE BUSINESSMEN TO STRINGENT RESTRICTIONS IN AREA OF WORK PERMITS, AND OBSERVED THAT SUCH RESTRICTIONS HINDER JAPANESE BUSINESSMEN IN FURTHER BOOSTING THAI EXPORTS. HE POINTED OUT THAT JAPANESE FIRMS IN THAILAND FURTHER THAI NATIONAL POLICIES BOTH BY EXPORTING AND BY PROVIDING EMPLOYMENT OPPORTUNITIES.

3. IN RESPONSE, OB AGREED THAT THAI EXPORTS ARE UP BUT SAID TRADE IMBALANCE CONTINUES. HE OPINED THAT GOU POLICY ACCORDING MORE IMPORTANCE TO LDC'S IN REGION AND FUNNELING MORE AID AND INVESTMENT TO THEM COMMENDABLE, AND HAS DONE MUCH TO RAISE JAPAN'S PRESTIGE AMONG PEOPLE OF THESE COUNTRIES. OTHER HAND, HE SAID, PROMISES (SUCH AS PM TANAKA'S) TO REDUCE TRADE DEFICIT WILL NOT BEAR FRUIT WITHOUT COOPERATION OF JAPANESE TRADING FIRMS WHICH HERETOFORE HAVE CONCENTRATED ON EXPORTS FROM JAPAN.

4. ACCORDING TO JOINT COMMUNIQUE ADOPTED AT CLOSE OF MEETING, JAPANESE SIDE PLEDGED FURTHER COOPERATION TO NARROW IMBALANCE. JAPANESE SIDE ALSO SAUGHT RELAXATION OF ALIEN OCCUPATION LAW, SPECIFICALLY PROVISION RE WORK PERMITS, TO WHICH THAI RESPONDED THAT EXPORT TARGETS AND WORK PERMITS ARE TWO SEPARATE ISSUES WHICH SHOULD BE DEALT WITH SEPARATELY, BUT THAI WOULD BE HAPPY TO EXPLAIN LAW TO ANY JAPANESE FIRM FACING DIFFICULTY. COMMUNIQUE ALSO REFERRED TO LIST OF AGREED TARGETS FOR 94 THAI EXPORTS.

5. ON JUNE 12, EMBOFF REVIEWED RESULTS OF MEETING WITH KAZUO NUKAZAWA, ASST DIRECTOR, INTNL ECONOMIC AFFAIRS DEPT, FEDERATION OF ECONOMIC ORGANIZATIONS. HE PROVIDED THE FOLLOWING ASSESSMENT:

A. MOST DIFFICULT ISSUE RE EXPORT TARGETS CONCERNED FABRICS. THAI SIDE STRONGLY REQUESTED TARGET OF 90 MILLION SQ YDS, BUT, DUE DEPRESSED CONDITION JAPANESE LIMITED OFFICIAL USE

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TEXTILE INDUSTRY, JAPANESE AGREED ONLY TO 40 TO 45 MILLION SQUARE YARDS. OTHER HAND, JAPANESE ACCEPTED 33 THAI TARGETS UNCHANGED, AND JAPANESE CALCULATIONS OF THE TOTAL VALUE OF THE AGREED TARGETS, 530 MILLION DOLLARS, INDICATE INCREASE OF SOME 60 PERCENT OVER LAST YEAR'S RESULTS, 340 MILLION DOLLARS, AND EVEN EXCEED THAI PRE-MEETING GOAL (WHICH APPEARED IN THAI NEWSPAPERS) OF 500 MILLION DOLLARS.

B. THAI SIDE INCORRECTLY INFERRED JAPANESE HAD ESTABLISHED LINK BETWEEN EXPORT TARGETS AND WORK PERMITS ISSUES; JAPANESE HAD ONLY MEANT TO POINT OUT ADVERSE EFFECT OF WORK PERMIT RESTRICTIONS ON TRADING COMPANY EFFORTS TO PROMOTE THAI EXPORTS. THAI SAID LAW NON-DISCRIMINATORY, THAT MANY DEVELOPED COUNTRIES HAVE SUCH LAWS, AND THAT, AT ANY RATE, THAI BUSINESSMEN NOT IN POSITION TO CHANGE THAI GOVERNMENT LAWS. JAPANESE STRESSED THAT ALTHOUGH LAW'S WORDING IN NON-DISCRIMINATORY ITS EFFECT IS PARTICULARLY HEAVY ON JAPANESE FIRMS, AS, DUE TO LANGUAGE BARRIER, THEIR PERCENTAGE OF LOCAL EMPLOYEES IS LOWER THAN, SAY, AMERICAN COMPANIES'.

C. THAI LEADER OB QTE BRISTLED UNQTE AS HE DELIVERED BLUNT OPENING SPEECH. THIS BECAUSE HE ANTICIPATED JAPANESE SIDE, BECAUSE DEPRESSED STATE JAPANESE ECONOMY, WOULD NOT BE ABLE TO AGREE TO INCREASED EXPORT TARGETS. THAI WERE QTE MOST GRATEFUL UNQTE AS RESULT AGREEMENT ON SATISFACTORY TARGETS, AND, IN CLOSING DINNER SPEECH, OB EXPRESSED HIS PERSONAL APPRECIATION AND VOICED NO COMPLAINTS RE MEETING'S OUTCOME. THIS WAS FIRST TIME EVER, SAID NUKAZAWA, THAT THAI HAD BEEN SATISFIED WITH MEETING'S RESULTS.

6. EMBASSY POUCHING COPIES OF SPEECHES, TARGET LIST, ETC. TO ADDRESSEES.
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